

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03388A

S

Seven Canyons Water Co.
15333 W. Pima Rd., Ste. 305
Scottsdale, AZ 85260

RECEIVED

MAY 10 2007

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

5-8-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name): Seven Canyons Water Company (W-03388A)

Mailing Address: 15333 N Pima Rd, Suite 305
(Street)

Scottsdale
(City)

AZ
(State)

85260
(Zip)

480-627-7000

Telephone No. (Include Area Code)

480-627-7010

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address: jwhite@cavan.net

Local Office Mailing Address : 755 Golf Club Way
(Street)

Sedona
(City)

AZ
(State)

86336
(Zip)

928-203-2254

Local Office Telephone No. (Include Area Code)

928-203-2092

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Cavan Real Estate Investments – John White CFO
(Name) (Title)

15333 N Pima Rd, Suite 305
(Street)

Scottsdale
(City)

AZ
(State)

85260
(Zip)

480-627-7000

Telephone No. (Include Area Code)

480-627-7010

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Wendy Ferguson
(Name)

755 Golf Club Way

Sedona

AZ

86336

(Street)

(City)

(State)

(Zip)

928-203-2254

Telephone No. (Include Area Code)

928-203-2036

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address: scwatercompany@sevendcanyons.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: _____			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: _____			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Seven Canyons Water Company (W-03388A)

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1,350.00	45.00	1,305.00
307	Wells and Springs	593,050.21	11,861.00	581,189.21
311	Pumping Equipment	23,119.23	704.38	22,414.85
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	222,659.12	4,453.19	218,205.93
333	Services			
334	Meters and Meter Installations	15,102.08	622.58	14,479.50
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	2,534.69	844.90	1,689.79
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	857,815.33	18,531.05	839,284.28

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1,350.00	3.33	45.00
307	Wells and Springs	593,050.21	2.00	11,861.00
311	Pumping Equipment	23,119.23	2.75	636.78
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	222,659.12	2.00	4,451.12
333	Services			
334	Meters and Meter Installations	15,102.08	2.93	442.05
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	2,534.69	14.29	362.10
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	857,815.33		17,798.05

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET – SEE ATTACHED STATEMENT

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$	\$

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED) – SEE ATTACHED STATEMENT

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$

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04/20/07
Accrual Basis

Seven Canyons Water Company (W-03388A)
Balance Sheet
As of December 31, 2006

	Dec 31, 06	Dec 31, 05
ASSETS		
Current Assets		
Checking/Savings		
132 - National Bank	9,698.47	48,534.68
134 - Working Funds - Petty Cash	250.00	250.00
Total Checking/Savings	9,948.47	48,784.68
Accounts Receivable		
#141 - Customer Accounts Receivable	28,507.78	14,203.76
Total Accounts Receivable	28,507.78	14,203.76
Other Current Assets		
142 - Other Receivables	262.19	231.14
142.C - Rcvble from USA BlueBook	0.00	7,338.12
162 - Prepayments	260.87	0.00
Total Other Current Assets	523.06	7,569.26
Total Current Assets	38,979.31	70,557.70
Fixed Assets		
101 - Utility Plant in Service	839,284.28	11,228.09
105 - Construction Work in Progress	0.00	794,730.56
Total Fixed Assets	839,284.28	805,958.65
TOTAL ASSETS	878,263.59	876,516.35
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
231 - Accounts Payable	877.50	0.00
Total Accounts Payable	877.50	0.00
Other Current Liabilities		
230 - Accts Payable	0.00	2,641.52
232 - Other Payables	3,846.00	583,182.26
236 - Accrued Taxes	-108.22	0.00
236ST - Sales Tax Payable	412.27	1,384.80
Total Other Current Liabilities	4,150.05	587,208.58
Total Current Liabilities	5,027.55	587,208.58
Long Term Liabilities		
250 - Deferred Credits	23,118.00	9,251.50
Total Long Term Liabilities	23,118.00	9,251.50
Total Liabilities	28,145.55	596,460.08
Equity		
201 - Common Stock Issued	1,000.00	1,000.00
211 - Other Paid-In Capital	961,434.34	549,582.73
215 - Retained Earnings	-270,526.46	-194,276.32
Net Income	158,210.16	-76,250.14
Total Equity	850,118.04	280,056.27
TOTAL LIABILITIES & EQUITY	878,263.59	876,516.35

COMPARATIVE STATEMENT OF INCOME AND EXPENSE – SEE ATTACHED

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$	\$

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04/20/07

Accrual Basis

Seven Canyons Water Company (W-03388A)
Comparative Statement of Income And Expenses
 January through December 2006

	Jan - Dec 06	Jan - Dec 05
Ordinary Income/Expense		
Income		
461 · Metered Water Revenue	66,561.75	23,113.97
471 · Miscellaneous Service Revenues	744.12	175.00
Total Income	67,305.87	23,288.97
Expense		
403 · Depreciation Expense	17,798.05	591.00
408.11 · Property Taxes	460.53	299.79
409 · Income Taxes	100.00	0.00
610 · Purchased Water	0.00	0.00
615 · Purchased Power	7,131.82	5,928.21
618 · Chemicals	1,286.95	363.38
620 · R&M Materials & Supplies	4,376.02	2,248.35
621 · Office Exp, Postage, Freight	653.16	920.22
630 · Outside Services	62,886.84	85,644.20
635 · Outside Service - Water Testing	162.50	3,210.00
655 · Insurance Expense	782.28	0.00
675 · Miscellaneous Expense	555.35	333.96
Total Expense	96,193.50	99,539.11
Net Ordinary Income	-28,887.63	-76,250.14
Other Income/Expense		
Other Expense		
427 · Interest Expense	78.21	0.00
499 · Prior Pd SWT Expenses	-187,176.00	0.00
Total Other Expense	-187,097.79	0.00
Net Other Income	187,097.79	0.00
Net Income	158,210.16	-76,250.14

COMPANY NAME Seven Canyons Water Company (W-03388A)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$0.00

Meter Deposits Refunded During the Test Year \$0.00

COMPANY NAME	Seven Canyons Water Company (W-03388A)
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-600173	40	78	744	7"	4"	1981

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	3	10	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
6,700	1		
200,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Seven Canyons Water Company (W-03388A)
Name of System ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	17	198,970	258,500	None
FEBRUARY	17	324,950	424,325	
MARCH	47	428,820	507,475	
APRIL	47	436,620	507,800	
MAY	47	682,540	754,900	
JUNE	47	770,591	970,200	
JULY	47	678,545	858,200	
AUGUST	47	737,142	915,900	
SEPTEMBER	48	741,634	806,000	
OCTOBER	48	835,421	893,100	
NOVEMBER	48	1,024,614	923,300	
DECEMBER	48	751,497	830,600	
TOTALS →		7,611,344	8,650,300	

What is the level of arsenic for each well on your system? .003 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME **Seven Canyons Water Company (W-03388A)** **YEAR ENDING 12/31/2006**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: **\$568.75**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 01 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	YAVAPAI
NAME (OWNER OR OFFICIAL) TITLE	Tom Kell, President
COMPANY NAME	Seven Canyons Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

480-627-7000

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

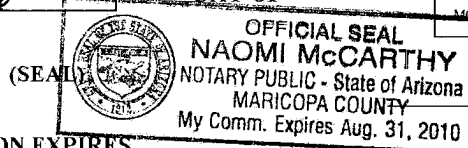
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26th

DAY OF

COUNTY NAME	Maricopa
MONTH	April
YEAR	2007





SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

8-31-2010

COMPANY NAME **Seven Canyons Water Company (W-03388A)** **YEAR ENDING 12/31/2006**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	0
Estimated or Actual Federal Tax Liability	0

State Taxable Income Reported	0
Estimated or Actual State Tax Liability	0


Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	0
Amount of Gross-Up Tax Collected	0
Total Grossed-Up Contributions/Advances	0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


 SIGNATURE AS

4/26/07
 DATE

THOMAS D KELL
PRINTED NAME

PRESIDENT
TITLE

RECEIVED

MAY 01 2007

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

AZ CORP COMM
Director Utilities

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL), TITLE	Tom Kell, President
COMPANY NAME	Seven Canyons Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 71,546.37

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 4,240.50
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)


SIGNATURE OF OWNER OR OFFICIAL
480-627-7000
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26th

DAY OF

COUNTY NAME	Maricopa
MONTH	April
YEAR	2007

(SEAL)



OFFICIAL SEAL
NAOMI MCCARTHY
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires Aug. 31, 2010


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

8-31-2010

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAY 01 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Tom Kell</u>	TITLE <u>President</u>
COMPANY NAME <u>Seven Canyons Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 42,507.35

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 2,505.14
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

490-627-3000

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26th

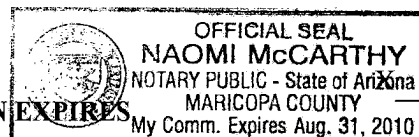
DAY OF

NOTARY PUBLIC NAME <u>NAOMI McCARTHY</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	YEAR <u>2007</u>

(SEAL)

MY COMMISSION EXPIRES

8-31-2010



Naomi McCarthy

SIGNATURE OF NOTARY PUBLIC